

WASHINGTON, D.C. — David H. Stevens, president and CEO of the Mortgage Bankers Association (MBA), applauded the introduction of the Defending American Taxpayers from Abusive Government Takings Act, filed today in the U.S. House of Representatives by **Congressman John Campbell (R-CA)**

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The bill would prohibit Fannie Mae, Freddie Mac, the Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) from making, insuring or guaranteeing mortgages in areas where municipalities are seizing loans using the power of eminent domain.

Mr. Stevens issued the following statement: “While the problem of underwater borrowers continues to slow the housing recovery, using eminent domain to take those mortgages is not a responsible answer. Beyond the obvious legal issues of using eminent domain in such a radical way, the government seizing mortgages would set a precedent that will hurt those communities and borrowers it is most designed to help.

“By increasing legal uncertainty for mortgage lenders and investors, credit will be less available and more expensive to potential home buyers and those looking to refinance, increasing the cost for all residents to get a mortgage and causing a spiraling effect of declining home values and threatening local economic recovery. Further, cramming losses down on existing mortgage backed securities holders will drive down the value of millions of Americans’ investments, including pension plans, 529 college savings accounts and 401(k) retirement accounts.

“**Congressman Campbell’s** bill, on top of limiting the future cost to taxpayers associated with the losses that would be incurred by Fannie Mae, Freddie Mac, FHA and the VA, sends a clear message to municipalities considering eminent domain — if you do this, there will be consequences for your constituents, consequences that will severely impact not only potential home buyers and home owners, but the value of every home in your area.

“We look forward to working with **Congressman Campbell** and other leaders on Capitol Hill to advance this bill through the legislative process.”